

**PUBLIC COMPANY LIMITED BY SHARES**  
**NOTICE OF ANNUAL GENERAL MEETING**  
**of**  
**VALIANT PETROLEUM PLC (the "Company")**  
**(Registered in England and Wales under company number 05223667)**

**Dated 10 May 2010**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the Company (the "**Annual General Meeting**") will be held at 10:00am on Wednesday 2 June 2010 at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA, for the following purposes:-

**Ordinary Business**

To consider, and if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

- 1 To receive and adopt the audited consolidated accounts of the Company and its subsidiaries for the financial year ended 31 December 2009 together with the Directors' Report, the Directors' Remuneration Report and the Auditors' Report on those accounts.
- 2 To approve the Directors' Remuneration Report for the financial year ended 31 December 2009.
- 3 To re-appoint Peter Buchanan, who retires by rotation in accordance with the articles of association of the Company (the "**Articles**") and, being eligible, offers himself for reappointment, as a director of the Company (a "**Director**").
- 4 To re-appoint Michael Bonte-Friedheim, who retires by rotation in accordance with the Articles and, being eligible, offers himself for reappointment, as a Director.
- 5 To re-appoint Mark Jonathan Lewis, appointed by the Board on 12 April 2010, in accordance with the Articles, as a Director.
- 6 To re-appoint David Blackwood CBE, appointed by the Board on 11 August 2009, in accordance with the Articles and, being eligible, offers himself for reappointment, as a Director.
- 7 To re-appoint Deloitte & Touche LLP as auditors to hold office from the conclusion of the Annual General Meeting to the conclusion of the next meeting at which accounts are laid before the Company and to authorise the Directors to fix the auditors' remuneration.
- 8 That, subject to and conditional upon the passing of resolution 10, pursuant to the provisions of section 551 of the Companies Act 2006 (the "**Act**") the Directors be and they are hereby generally and unconditionally authorised to exercise all of the powers of the Company to allot shares in the

Company or grant rights to subscribe for or to convert any security into shares in the Company, provided that:

- (a) this authority shall be limited to the allotment of up to an aggregate nominal amount of £334,109.71; and
- (b) unless it is, prior to its expiry, duly revoked or varied or is renewed, shall expire at close of business on the date falling on the earlier of 15 months from the date hereof or the date of the 2011 annual general meeting of the Company, except that the Company may allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company in pursuance of an offer or agreement so to do made by the Company before the expiry of this authority.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act.

- 9 That, subject to the passing of resolution 8 above, the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the Act) in connection with a rights issue in favour of the holders (the "**Ordinary Shareholders**") of ordinary shares of 2.555556 pence each in the capital of the Company (the "**Ordinary Shares**") where the equity securities respectively attributable to the Ordinary Shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them up to a maximum nominal amount of £334,109.71 provided that this authority shall expire unless sooner revoked or varied or renewed at close of business on the date falling on the earlier of 15 months from the date hereof or the date of the 2011 annual general meeting and save that the Company may, before such expiry, make an offer or arrangement which would or might require shares in the Company to be allotted after such expiry and the Directors may allot shares in the Company in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

### **Special Business**

To consider and if thought fit, pass the following resolution which will be proposed as a special resolution:

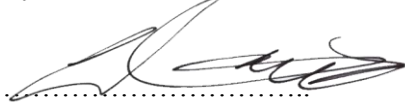
- 10 That, subject to and conditional upon the passing of resolutions 8 and 9 above, the Directors be and they are hereby given power in accordance with section 570 of the Act to allot equity securities for cash, within the meaning of section 560(1) of the Act, pursuant to the general authority given to them by resolution 8, as if section 561(1) of the Act did not apply to the allotment, provided that this power is limited to:
- (a) the allotment of equity securities in connection with an issue in favour of the Ordinary Shareholders where the equity securities are offered to such holders in proportion (as nearly as may be) to the respective number of Ordinary Shares held, or deemed to be held, by each such holder but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and
  - (b) the allotment (otherwise than pursuant to (a) above) of equity securities up to an aggregate nominal amount of £50,116.46,

and this authority, unless it is prior to its expiry duly revoked or varied or is renewed, will expire at close of business on the date falling on the earlier of 15 months from the date of this notice or the date of the 2011 annual general meeting of the Company, except that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted

after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 95 of the Companies Act 1985 or section 570 of the Act.

By Order of the Board



**Gavin Johnston Milne**  
Secretary

Registered office of the Company:  
Albion House  
Chertsey Road  
Woking  
Surrey  
GU21 6BD

10 May 2010

#### **NOTES:**

##### **Appointment of Proxy**

- 1 As a member of the Company you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at a meeting of the Company. You should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in the notes to the proxy form. A proxy need not be a member of the Company.
- 2 To be effective, the proxy form (and any power of attorney or other authority under which it is executed or a duly certified copy of any such power or authority) must be deposited at the Company's head office, the details of which are given below, not less than 48 hours (excluding weekends and bank holidays) before the time for holding the Annual General Meeting (i.e. the proxy must be deposited by 10.00am on Monday 31 May 2010) and if not so deposited shall be invalid.

##### **Entitlement to attend and vote**

- 3 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered in the Company's register of members at:
  - 6.00pm on Monday 31 May 2010; or
  - if this Annual General Meeting is adjourned, at 6.00pm on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the meeting.
- 4 If you are not a member of the Company, but you have been nominated by a member of the Company to enjoy information rights, you do not have any right to appoint one or more proxies. Please read the section "Nominated persons" below.

## CREST

- 5 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on Wednesday 2 June 2010 and at any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (RA10) by Monday 31 May 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST Members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid, a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

## Corporate Representatives

- 6 In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the Annual General Meeting so that: (i) if a corporate shareholder has appointed the chairman of the Annual General Meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Annual General Meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the Annual General Meeting but the corporate shareholder has not appointed the chairman of the Annual General Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.

## Nominated persons

7 If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights:

- you may have a right under an agreement between you and the member of the Company that nominated you to have information rights ("**Nominated Person**") and to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting;
- if you either do not have such proxy appointment right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Nominated Person to give instructions to the Nominated Person as to the exercise of voting rights.

### **Communication**

8 Except as provided above, members who wish to communicate with the Company in relation to the Annual General Meeting should do so by post to the Company's registered office, the details of which are given below. No other methods of communication will be accepted.

Address: The Company Secretary  
Valiant Petroleum Plc  
Albion House  
Chertsey Road  
Woking  
Surrey  
GU21 6BD

## **EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING**

### **VALIANT PETROLEUM PLC**

#### **Ordinary Resolutions**

Resolutions 1 to 9 are all to be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

#### **Resolution 1 – To receive the Annual Report and Financial Statements for 2009**

For each financial year the Directors must present the Audited Financial Statements, the Directors' Report and the Auditors' Report on the financial statements to the shareholders at an annual general meeting.

#### **Resolution 2 – To approve the policies set out in the Directors' Remuneration Report**

Shareholders are asked to approve the Directors' Remuneration Report which may be found in the Annual Report on page 36. This resolution is an advisory one and no entitlement to remuneration is conditional on the resolution being passed.

#### **Resolution 3-6 – Re-election of directors**

Under Article 24 one third of the Directors (or, if they are not a multiple of three, the number nearest to but not less than one third) not required to retire under Article 27.4 are required to retire by rotation and any Directors required to retire must be those who have been longest in office since their last appointment or reappointment. On the basis that all of these Directors were reappointed on the same day the Directors to retire shall (unless they otherwise agree amongst themselves) be determined by lot. Accordingly, Peter Buchanan and Michael Bonte-Friedheim are seeking re-election pursuant to these provisions of the Company's articles of association. Under Article 24.7 of the Articles, a Director is to be re-appointed at the first annual general meeting of the Company following their appointment. Mark Lewis and David Blackwood were appointed during the year and accordingly are both also seeking re-election.

The Board is satisfied that the directors' performance continues to be effective and demonstrates commitment to their roles with the Company including commitment of time for Board and Committee Meetings and other duties required of them. Accordingly, resolutions 3-6 propose the re-appointment of these Directors.

Brief biographical details of each of the directors are given below.

- (a) Mr Bonte-Friedheim is a banker by background having been in a number of senior positions within Credit Suisse First Boston, Morgan Stanley International Limited and managing director in the energy & power team at Goldman Sachs International Limited. He is currently the non-executive chairman of Mediterranean Oil and Gas plc.
- (b) Mr Buchanan was previously a director for oil and gas at The Royal Bank of Scotland plc and represented the bank on several boards. He has held several senior technical and managerial roles (namely with BP) and has completed an MSc in Structural Geology, a PhD, and a Diploma in Applied Finance and Investment.
- (c) Mr Lewis, FCMA has an engineering degree from Oxford and spent his early career in strategy consulting. He has held senior finance roles in RAC plc and De Beers where, for the last three years, he was CFO of Element Six their independently managed industrial diamonds joint venture. He is also a member of CIMA's governing council.

- (d) Mr Blackwood, prior to joining Britoil plc in 1982, worked in a variety of roles with Schlumberger in the North Sea, Oman and Kuwait. His subsequent roles within BP Exploration have included Business Unit Leader positions in Alaska, Aberdeen and Glasgow, and worldwide Technology Vice President for Projects and Engineering. In August 2000, Dave became Business Unit Leader for Gulf of Mexico Deepwater Development before taking up his position as head of BP's North Sea business, and Director of BP Exploration Operating Company in July 2003. He previously represented BP on the Board of the UK Offshore Operators Association (UKOOA), and on PILOT, the Government – Industry forum established to sustain a competitive UK Oil and Gas industry. In addition he was the first joint Chairman of Oil & Gas UK, the new representative body for the UK offshore oil and gas industry. Mr Blackwood retired from BP as of 1st January 2009. He is currently a board member of ACSEF (Aberdeen City and Shire Economic Future). Mr Blackwood attended Glasgow University where he studied Electrical Engineering. In 2006, he was awarded the CBE for his contribution to the UK oil and gas industry.

### **Resolution 7 – Re-appointment and remuneration of auditors**

The Company is required at each general meeting at which financial statements are presented to shareholders to appoint auditors who will remain in office until the next such meeting. Deloitte & Touche LLP have expressed their willingness to continue in office for a further year. In accordance with company law and corporate governance best practice, shareholders are also asked to authorise the Directors to determine the auditors' remuneration.

### **Resolutions 8 and 9 – Authority to authorise the Directors to allot shares**

Section 551 of the Act requires that the authority of the Directors to allot shares shall be subject to the approval of the shareholders in general meeting. These resolutions, if passed, would give the Directors general authority to allot shares in the capital of the Company.

Resolution 8 would give the Directors the authority to allot shares up to an aggregate nominal amount of £334,109.71, being approximately one-third of the issued ordinary share capital of the Company as at 9 May 2010 (the last practicable date prior to the publication of this notice).

In line with guidance issued by the Association of British Insurers, resolution 9 would give Directors the authority to allot shares in connection with a rights issue in favour of Ordinary Shareholders up to an aggregate nominal amount equal to £334,109.71 (representing 13,073,856 ordinary shares). This amount (before any reduction) represents approximately a further one third of the issued ordinary share capital of the Company as at 9 May 2010 (the latest date prior to the publication of this notice).

There is no present intention to exercise either of the authorities sought under these resolutions, which will expire on close of business on the earlier of 15 months from the date hereof or the date of the Company's annual general meeting to be held in 2011.

### **Special Resolution**

Resolution 10 will be proposed as a special resolution. This means that for such resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **Resolution 10 - Disapplication of statutory pre-emption rights**

Resolution 10 gives authority to the Directors to disapply the provisions of section 561(1) of the Act. Under that section, if the Directors wish to allot any of the unissued shares for cash the Directors must in the first instance offer those shares to existing shareholders in proportion to the number of shares held by such

shareholders. An offer of this type is called a "rights issue" and the entitlement to be offered a new share is known as a "pre-emption right".

There may be circumstances, however, where it is in the interests of the Company for the Directors to allot some of the new shares for cash other than by way of a rights issue. This cannot be done under the Act unless the shareholders first waive their pre-emption rights. Resolution 10 asks shareholders to do this, but only for new shares equal to 5 per cent. of the Company's issued ordinary share capital as at 9 May 2010 (the last practicable date prior to publication of his Notice).

The Directors will be able to use this power without obtaining further authority from shareholders before they allot new shares covered by it. However, by setting the limit of 5 per cent., the interests of existing shareholders are protected, as their proportionate interest in the Company cannot, without their agreement, be reduced by more than 5 per cent. by the issue of new shares for cash to new shareholders. If the Directors wish, other than by rights issue, to allot for cash new shares which would exceed this limit, they would first have to ask the Company's shareholders to waive their pre-emption rights in respect of that proportion of new shares which exceeds the 5 per cent. ceiling.

There are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a rights issue to some shareholders, particularly those resident overseas. To cater for this, Resolution 10, in authorising the Directors to allot new shares by way of a rights issue, also permits the Directors to make appropriate exclusions or arrangements to deal with such difficulties.

The power given by Resolution 10 will, unless sooner revoked or renewed by the Company in general meeting, last until the earlier of 15 months from the date hereof or the date of the next annual general meeting of the Company to be held in 2011. This resolution complies with the Pre-Emption Group Statement of Principles.